



THE COMMONWEALTH OF MASSACHUSETTS

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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April 28, 2006

Ann E. Leary
Manager of Rates
KeySpan Energy Delivery
52 Second Avenue
Waltham MA 02451

Re: KeySpan Energy Delivery 2006 Off-Peak CGAC Filing, D.T.E. 06-GAF-O5

Dear Ms. Leary:

The Department of Telecommunications and Energy ("Department") hereby gives conditional approval to KeySpan Energy Delivery's ("KeySpan" or "Company") 2006 Off-Peak Cost of Gas Adjustment Factors ("GAFs") filed on March 16, 2006. The GAFs are to be applied to firm gas sales during the billing period May 1, 2006 through October 31, 2006, as follows:

<u>Rate Tariff</u>	<u>Customer Class</u>	<u>GAF</u>
Tariff 101.1- 104.1	Boston Gas - Residential	\$.9163/therm
Tariff 105.1-107.1, 109.1-111.1	Boston Gas - G-40s & G-50s	\$.9163/therm
Tariff 108.1 & 112.1	Boston Gas - G-44 & G-54	\$.8342/therm
Tariff 108.1 & 112.1	Boston Gas - G-44 & G-54	\$.8723/MDCQ therm
Tariff 201-206	Essex - Residential	\$.8667/therm
Tariff 207-213	Essex - C&I	\$.8667/therm

Tariff 301-304	Colonial Lowell - Residential	\$.9339/Ccf
Tariff 305-313	Colonial Lowell - C&I	\$.9339/Ccf
Tariff 401-405	Colonial Cape Cod - Residential	\$.9088/Ccf
Tariff 406-414	Colonial Cape Cod - C&I	\$.9088/Ccf

The Department notes that the GAFs for Boston Gas, Essex, Colonial (Lowell Division), and Colonial (Cape Cod Division) include net reconciliation account balances of \$483,550, \$35,270, \$267,736, and \$4,359, respectively, as of October 31, 2005.

In addition, the Department also gives conditional approval to the Company's Local Distribution Adjustment Factors ("LDAFs") filed on March 16, 2006. The LDAFs are to be applied to all firm gas sales and transportation sales during the billing period of May 1, 2006 through October 31, 2006, as follows:

<u>Rate Tariff</u>	<u>Customer Class</u>	<u>LDAF</u>
Tariff 101.1-104.1	Boston Gas - Residential	\$.0483/therm
Tariff 105.1-107.1, 109.1-111.1	Boston Gas - G-40s & G-50s	\$.0416/therm
Tariff 108.1 & 112.1	Boston Gas - G-44 & G-54	\$.0416/therm
Tariff 108.1 & 112.1	Boston Gas - G-44 & G-54	\$.0416/MDCQ therm
Tariff 201-206	Essex - Residential	\$.0135/therm
Tariff 207-213	Essex - C&I	\$.0090/therm
Tariff 301-304	Colonial Lowell - Residential	\$.0249/Ccf
Tariff 305-313	Colonial Lowell - C&I	\$.0135/Ccf
Tariff 401-405	Colonial Cape Cod - Residential	\$.0204/Ccf
Tariff 406-414	Colonial Cape Cod - C&I	\$.0094/Ccf

The Department further notes that the calculation of the LDAFs for Boston Gas, Essex, and Colonial (Lowell Division) include net recoverable remediation adjustment costs of \$3,123,000, \$93,000, and \$142,000 respectively.

The Department allows the application of the GAFs and LDAFs but may, if future conditions warrant, change the factors or the method of computation. The Department may, as conditions warrant, also require the Company to refund to its customers any amounts that are,

upon later review of Company filings or of other relevant evidence, found by the Department to be the result of imprudent Company action.

By Order of the Department,

/s/
Judith F. Judson, Chairman

/s/
James Connelly, Commissioner

/s/
W. Robert Keating, Commissioner

/s/
Paul G. Afonso, Commissioner

/s/
Brian P. Golden, Commissioner

cc: Service List